



February  
23, 2021

## Economy

### Staff-level pact; IMF Board meeting yet to be scheduled

#### Economy | Neutral

The International Monetary Fund (IMF) Executive Board meeting is yet to be scheduled to consider the staff-level agreement on the second to fifth reviews of the \$6 billion under Extended Fund Facility (EFF). (BR) | [Click for more info.](#)

### Moody's terms remittances growth credit positive for Pakistan's banks

#### Economy, Banks | Positive

Ratings agency Moody's expects remittance inflows into Pakistan to increase in coming years, albeit not with the current growth pace, as it says the central bank's measures are attracting inflows from official channels. (The News) | [Click for more info.](#)

### FDI down 27.4pc to \$1.145bln in Jul-Jan

#### Economy | Negative

Pakistan's foreign direct investment (FDI) fell 27.4 percent in the seven months of this fiscal year, hurt by dropping investor confidence in the economy due to the stalled International Monetary Fund (IMF) loan programme and slippage in global growth amid the coronavirus pandemic. (The News) | [Click for more info.](#)

### Current account deficit shrinks to \$229 million in January

#### Economy | Neutral

Pakistan's current account deficit narrowed 55 percent year-on-year to \$229 million in January mainly due to recovery in exports and robust remittances, the central bank said on Monday. (The News) | [Click for more info.](#)

### Tribal districts; Rs50bn spent on uplift projects, PM told

#### Economy | Neutral

Prime Minister Imran Khan Monday was told that around Rs 50 billion had been spent on the education, health and infrastructural development projects in the merged tribal districts under a special package. (BE) | [Click for more info.](#)

## Power

### Power generation up 4pc in Jan

#### Power | Positive

Total electric power generation in January 2021 surged 4.0 percent to 8,079GWh compared with 7,794GWh in January 2020, data issued by National Electric Power Regulatory Authority (NEPRA) suggested on Monday. (The News) | [Click for more info.](#)

### NA panel blocks bill for unspecified surcharge

#### Power | Neutral

Days after a staff-level agreement for the International Monetary Fund (IMF) programme revival, a parliamentary panel on Monday blocked a government bill seeking restoration of its powers to impose unspecified amount of surcharges on electricity consumers. (Dawn) | [Click for more info.](#)

## Steel

### Steel rebar prices feared to cross Rs150,000/ton

#### Steel | Positive

Steel re-bar prices are feared to cross Rs150,000 / ton after taking cue from \$100 increase in scrap rates to \$455 / ton in five months in the international market and 10 percent rise in power tariffs, an industry official said on Monday. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,851.2	31,647.6	-203.6	-0.6%
KSE100	46,227.7	45,890.0	-337.6	-0.7%
KSE30	19,230.6	19,059.1	-171.5	-0.9%
KMI30	76,623.0	75,900.3	-722.7	-0.9%

### Top Five Gainers

	Open	Close	Chg.	%
BHAT	896.7	930.0	33.3	3.7%
HINO	350.6	372.2	21.7	6.2%
PRET	260.0	279.5	19.5	7.5%
SAZEW	182.5	196.2	13.7	7.5%
IDYM	587.2	600.0	12.8	2.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	7.6	8.1	0.5	114.35
BYCO	10.3	11.0	0.7	109.10
TRG	136.8	146.6	9.8	46.41
MDTL	2.8	3.8	1.0	29.04
DCL	12.6	13.6	1.0	26.83

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.02	0.00
F-Corporates	1.76	-4.09	-2.33
O/S Pakistanies	8.80	-9.27	-0.47
<b>Net</b>	<b>10.57</b>	<b>-13.38</b>	<b>-2.80</b>
<b>LIPI</b>			
Individuals	161.40	-164.75	-3.35
Companies	7.17	-4.21	2.96
Comm. Banks	4.35	-3.37	0.98
NBFC	0.01	-0.01	0.00
Mutual Funds	5.79	-5.09	0.71
Other	1.27	-1.05	0.23
Brokers Proprietary	41.50	-40.31	1.19
Insurance	2.59	-2.50	0.09
<b>Net</b>	<b>224.08</b>	<b>-221.28</b>	<b>2.80</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.49	3.8%
Brent oil	USD/bbl.	65.24	3.7%
Gold	USD/t oz.	1809.67	1.4%
Silver	USD/t oz.	28.14	3.1%
Coal	USD/ton	88.25	-0.7%
Steel Scrap (LME)	USD/ton	415.00	0.0%
Steel Rebar (LME)	USD/ton	602.50	-0.2%
USD/PKR	Interbank	159.32	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Banks

**Forex processing at banks to go digital by Feb end**

**Banks | Neutral**

Managing Director of State Bank of Pakistan's Banking Services Corporation Muhammad Ashraf Khan on Monday said majority of the banks would start processing 88 percent of foreign exchange digitally by the end of February and 98 percent by April 2021. Khan said the initiative to digitalise foreign exchange operations was taken to facilitate the business community by completely eradicating the paperwork and expediting the overall process, which had successfully been implemented by many banks. (The News) | [Click for more info.](#)

**Banking Spread declines by 1.32% YoY in January**

**Banks | Positive**

The Banking sector spread for January 2021 marginally dilated by 3 basis points (bps) over the month which brings its latest value to 4.38% as compared to prior month's spread of 4.35%. In contrast, the spread has reduced by 132 bps as compared to the same period last year. (MG) | [Click for more info.](#)

## Miscellaneous

**Trade Sector fetches highest FDI in January'21**

**Economy | Positive**

Pakistan's Trade Sector has received the highest net FDI worth \$61.5 million in January'21, followed by the Power and Financial Business sector with net FDI of \$40.9 million and \$35.3 million respectively. Cumulatively, during 7MFY21, the Power sector remained the major recipient of the foreign inflows, as it fetched a net \$475.8 million, showing an increase of 28% YoY when compared to the net inflows of \$373 million in the corresponding period of FY20. (Mettis) | [Click for more info.](#)

**TPL Properties acquires 10,002 sq yards plot for its first ever Technology Park**

**TPLP | Positive**

TPL Properties Limited, through its wholly owned Subsidiary, G-18 (Private) Limited, has now acquired Plot No. 25-B, measuring 10,002 Square Yards, situated at Sector 30, Korangi Industrial Area, Karachi upon execution of the Sale Deed dated February 19, 2021. The Company aims to develop state-of-art, first ever Technology Park in the Province of Sindh with high end technology facilities. Such infrastructure shall provide a platform to the IT Sector across Pakistan. (Mettis) | [Click for more info.](#)

**FBR Asked to Abolish the Condition of CNIC on Sales in Next Budget**

**Economy | Neutral**

Business and trade bodies have strongly recommended the Federal Board of Revenue (FBR) to abolish the computerized national identity card number (CNIC) condition on sales in the coming budget (2021-22). (Propakistani) | [Click for more info.](#)

## International News

**Oil prices rise further on slow U.S. output restart**

Oil prices rose again on Tuesday after a jump in the previous session, holding near a more than 13-month high as U.S. output was slow to return after a deep freeze in Texas shut in crude production last week. (Reuters) | [Click for more info.](#)

**Asian stocks slip as global rally skids on inflation fears**

Asian stocks dipped on Tuesday as rising U.S. Treasury yields and inflation prospects led to a further rotation out of the big tech stocks responsible for a major Wall Street rally during the pandemic. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,227.7	84.91	0.18%
PHILP - PSEI	6,926.4	76.77	1.12%
HK - Hang Seng	30,644.7	49.46	0.16%
INDONESIA - IDX	6,231.9	31.62	0.51%
CHINA - Shanghai	3,696.2	20.81	0.57%
KSA - Tadawul	9,102.0	20.18	0.22%
US - Dow 30	31,494.3	0.98	0.00%
US - S&P 500	3,906.7	-7.26	-0.19%
Taiwan - TWII	16,341.4	-83.13	-0.51%
INDIA - SENSEX	50,889.8	-434.93	-0.85%

### Board Meetings

Scrip	Day	Agenda	Time
ARM	Tuesday	HY A/c 31-Dec-20	9:30 AM
GRYL	Tuesday	HY A/c 31-Dec-20	10:00 AM
JGICL	Tuesday	ANN A/c 31-Dec-20	10:00 AM
CRTM	Tuesday	HY A/c 31-Dec-20	10:30 AM
FIMM	Tuesday	HY A/c 31-Dec-20	10:30 AM
MTIL	Tuesday	HY A/c 31-Dec-20	10:30 AM
AWWAL	Tuesday	HY A/c 31-Dec-20	11:00 AM
BERG	Tuesday	HY A/c 31-Dec-20	11:00 AM
FHAM	Tuesday	HY A/c 31-Dec-20	11:00 AM
OML	Tuesday	HY A/c 31-Dec-20	11:00 AM
TPLI	Tuesday	ANN A/c 31-Dec-20	11:00 AM
BIFO	Tuesday	HY A/c 31-Dec-20	11:30 AM
KASBM	Tuesday	HY A/c 31-Dec-20	11:30 AM
POML	Tuesday	HY A/c 31-Dec-20	11:30 AM
SCL	Tuesday	HY A/c 31-Dec-20	11:30 AM
AICL	Tuesday	ANN A/c 31-Dec-20	11:45 AM
BYCO	Tuesday	HY A/c 31-Dec-20	12:00 PM
PAKMI	Tuesday	HY A/c 31-Dec-20	12:00 PM
PMI	Tuesday	HY A/c 31-Dec-20	12:30 PM
GOC	Tuesday	HY A/c 31-Dec-20	12:30 PM
HMM	Tuesday	HY A/c 31-Dec-20	12:30 PM
PAKT	Tuesday	ANN A/c 31-Dec-20	2:00 PM
KML	Tuesday	HY A/c 31-Dec-20	2:15 PM
BFMOD	Tuesday	HY A/c 31-Dec-20	2:45 PM
SAZEW	Tuesday	HY A/c 31-Dec-20	3:00 PM
CYAN	Tuesday	HY A/c 31-Dec-20	3:30 PM
SPEL	Tuesday	HY A/c 31-Dec-20	4:30 PM
SNAI	Tuesday	HY A/c 31-Dec-20	5:00 PM

Source: PSX



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## Rating Criteria

**Rating** - Expected Total Return

**Buy** - Greater than 10%

**Hold** - Neither Buy nor Sell

**Sell** - Less than and equal to -10%

## Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCF based DCF methodology.

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